

ASSEMBLY BILL

No. 16

Introduced by Assembly Member Hertzberg
(Coauthors: Assembly Members Alquist, Aroner, Robert
Pacheco, Papan, Reyes, Romero, Shelley, and Strom-Martin)
(Coauthor: Senator Vincent)

December 4, 2000

An act to add Part 68.1 (commencing with Section 100600) to the Education Code, relating to education facilities by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 16, as introduced, Hertzberg. Education: Kindergarten-University Public Education Facilities Bond Act of 2002.

Existing law, the Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998, provides for the issuance, pursuant to the State General Obligation Bond Law, of state general obligation bonds in an amount not to exceed \$9,200,000,000, exclusive of refunding bonds, to provide aid to school districts, county superintendents of schools, and county boards of education in accordance with prescribed provisions, including, but not limited to, the Leroy F. Greene State School Facilities Act of 1998.

This bill would enact the Kindergarten-University Public Education Facilities Bond Act of 2002, to become operative only if approved by the voters at the March 5, 2002, direct primary election.

This bill would provide for the submission to the voters of the Kindergarten-University Public Education Facilities Bond Act of 2002 at the March 5, 2002, direct primary election.

This bill, if approved by the voters, would provide for the issuance of state general obligation bonds in an amount not to exceed \$____, exclusive of refunding bonds. the bill would provide that, of this amount, \$____ would be deposited in the 1998 State School Facilities Fund to provide aid to school districts, county superintendents of schools, and county boards of education, and \$____ would be deposited in the 2002 Higher Education Capital Outlay Bond Fund, which would be established by this bill, to provide aid for California public higher education facilities.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Part 68.1 (commencing with Section 100600) is
2 added to the Education Code, to read:

3

4 PART 68.1. KINDERGARTEN-UNIVERSITY PUBLIC
5 EDUCATION FACILITIES BOND ACT OF 2002

6

7

CHAPTER 1. GENERAL

8

9 100600. This part shall be known and may be cited as the
10 Kindergarten-University Public Education Facilities Bond Act of
11 2002.

12 100601. The incorporation of, or reference to, any provisions
13 of California statutory law in this part includes all acts amendatory
14 thereof and supplementary thereto.

15 100603. (a) Bonds in the total amount of ____ dollars
16 (\$____), not including the amount of any refunding bonds issued
17 in accordance with Sections 100644 and 100755, or so much
18 thereof as is necessary, may be issued and sold to provide a fund
19 to be used for carrying out the purposes expressed in this part and
20 to reimburse the General Obligation Bond Expense Revolving
21 Fund pursuant to Section 16724.5 of the Government Code. The



bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee established by Section 15909 and the Higher Education Facilities Finance Committee established pursuant to Section 67353 at any different times necessary to service expenditures required by the apportionments.

100605. For purposes of this part, “Chapter 12.5” means Chapter 12.5 (commencing with Section 17070.10) of Part 10.

CHAPTER 2. KINDERGARTEN THROUGH 12TH GRADE

Article 1. Kindergarten Through 12th Grade School Facilities Program Provisions

100610. (a) From the proceeds of bonds issued and sold pursuant to Article 2 (commencing with Section 100625), the sum of ____dollars (\$____) shall be deposited in the 1998 State School Facilities Fund, which is established by Section 17070.40, and shall be allocated by the State Allocation Board pursuant to this chapter.

(b) Of the amount specified in subdivision (a), ____ dollars (\$____) of the bonds authorized for the purposes of this chapter shall only be issued and sold on or after July 1, 2004, and the proceeds of those bonds shall be deposited in the 1998 State School Facilities Fund and allocated by the State Allocation Board pursuant to this chapter.

100615. (a) All moneys deposited in the 1998 State Facilities Fund for the purposes of this chapter shall be available and, notwithstanding any other provision of law to the contrary, are hereby appropriated to provide aid to school districts, county superintendents of schools, and county boards of education of the state in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10), as set forth in Section 100620, to provide funds to repay

1 any money advanced or loaned to the 1998 State School Facilities
2 Fund under any act of the Legislature, together with interest
3 provided for in that act, and to reimburse the General Obligation
4 Bond Expense Revolving Fund pursuant to Section 16724.5 of the
5 Government Code.

6 (b) The bonds issued and sold for the purposes of this chapter
7 shall fund school facilities projects for kindergarten and grades 1
8 to 12, inclusive, for a ____-year period.

9 100620. (a) Of the proceeds from the sale of bonds, issued
10 and sold for the purposes of this chapter, as specified in subdivision
11 (a) of Section 100610, not more than ____ dollars (\$____) shall
12 be allocated beginning in the 2002–03 fiscal year in accordance
13 with the following schedule:

14 (1) Not less than ____ dollars (\$____) for project funding
15 related to the growth in enrollment of applicant school districts
16 under Chapter 12.5 (commencing with Section 17070.10) of Part
17 10 that have incurred or will incur enrollment increases.

18 (2) Not less than ____ dollars (\$____) for the reconstruction or
19 modernization of facilities pursuant to Chapter 12.5 (commencing
20 with Section 17070.10) of Part 10.

21 (3) Not more than ____ dollars (\$____) shall be deposited in
22 the Public School Critical Hardship Account of the 1998 State
23 School Facilities Fund, established pursuant to Section 100420,
24 and shall be allocated by the State Allocation Board to fund critical
25 hardships as set forth in Chapter 12.5 (commencing with Section
26 17070.10) of Part 10. These funds may also be expended for the
27 acquisition of portable classrooms for use in accordance with
28 Chapter 14 (commencing with Section 17085) of Part 10.

29 (b) Of the proceeds from the sale of bonds issued and sold for
30 the purposes of this chapter, as specified in subdivision (b) of
31 Section 100610, not more than ____ dollars (\$____) shall be
32 allocated beginning in the 2005–05 fiscal year in accordance with
33 the following schedule:

34 (1) Not less than ____ dollars (\$____) for project funding
35 related to the growth in enrollment of applicant school districts
36 under Chapter 12.5 (commencing with Section 17070.10) of Part
37 10 that have incurred or will incur enrollment increases.

38 (2) Not less than ____ dollars (\$____) for the reconstruction or
39 modernization of facilities pursuant to Chapter 12.5 (commencing
40 with Section 17070.10) of Part 10.



(3) Not more than _____ dollars (\$_____) shall be deposited in the Public School Critical Hardship Account of the 1998 State School Facilities Fund, established pursuant to Section 100420, and shall be allocated by the State Allocation Board to fund critical hardships as set forth in Chapter 12.5 (commencing with Section 17070.10) of Part 10. These funds may also be expended for the acquisition of portable classrooms for use in accordance with Chapter 14 (commencing with Section 17085) of Part 10.

(c) School districts may use funds allocated pursuant to paragraph (2) of subdivision (a) and paragraph (2) of subdivision (b) only for one or more of the following purposes in accordance with Chapter 12.5 (commencing with Section 17070.10) of Part 10:

(1) The purchase and installation of air-conditioning equipment and insulation materials, and related costs.

(2) Construction projects or the purchase of furniture or equipment designed to increase school security or playground safety.

(3) The identification, assessment, or abatement in school facilities of hazardous asbestos.

(4) Project funding for high priority roof replacement projects.

(5) Any other renovation or modernization of facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10.

(d) Funds allocated pursuant to paragraph (1) of subdivision (a) and paragraph (1) of subdivision (b) may be utilized to provide new construction grants, without regard to funding priorities, for applicant county boards of education under Chapter 12.5 (commencing with Section 17070.10) of Part 10 that are eligible for that funding or classrooms for severely handicapped pupils and funding for classrooms for county community school pupils.

(e) (1) The Legislature may amend this section to adjust the minimum funding amounts specified in paragraphs (1) and (2) of subdivision (a) and the maximum funding amounts specified in paragraph (3) of subdivision (a), and to adjust the minimum funding amounts specified in paragraphs (1) and (2) of subdivision (b) and the maximum funding amount specified in paragraph (3) of subdivision (b), only by either of the following methods:

(A) By a statute, passed in each house of the Legislature by rollcall vote entered in the respective journals, by not less than

1 two-thirds of the membership in each house concurring, if the
2 statute is consistent with, and furthers the purposes of, this chapter.

3 (B) By a statute that becomes effective only when approved by
4 the voters.

5 (2) Amendments pursuant to this subdivision may adjust the
6 amounts to be expended pursuant to paragraphs (1) to (3),
7 inclusive, of subdivision (a) or paragraphs (1) to (3), inclusive, of
8 subdivision (b) or both, but may not increase or decrease the total
9 amount to be expended pursuant to either subdivision.

10
11 Article 2. Kindergarten Through 12th Grade School Facilities
12 Fiscal Provisions
13

14 100625. (a) Of the total amount of bonds authorized to be
15 issued and sold pursuant to Chapter 1 (commencing with Section
16 100600), bonds in the total amount of ____ dollars (\$____), not
17 including the amount of any refunding bonds issued in accordance
18 with Section 100644, or so much thereof as is necessary, may be
19 issued and sold to provide a fund to be used for carrying out the
20 purposes expressed in this chapter and to reimburse the General
21 Obligation Bond Expense Revolving Fund pursuant to Section
22 16724.5 of the Government Code. The bonds, when sold, shall be
23 and constitute a valid and binding obligation of the State of
24 California, and the full faith and credit of the State of California
25 is hereby pledged for the punctual payment of the principal of, and
26 interest on, the bonds as the principal and interest become due and
27 payable.

28 (b) Pursuant to this section, the Treasurer shall sell the bonds
29 authorized by the State School Building Finance Committee
30 established pursuant to Section 15909 at any different times
31 necessary to service expenditures required by the apportionments.

32 100627. The State School Building Finance Committee,
33 established by Section 15909 and composed of the Governor, the
34 Controller, the Treasurer, the Director of Finance, and the
35 Superintendent of Public Instruction, or their designated
36 representatives, all of whom shall serve thereon without
37 compensation, and a majority of whom shall constitute a quorum,
38 is continued in existence for the purpose of this chapter. The
39 Treasurer shall serve as chairperson of the committee. Two
40 Members of the Senate appointed by the Senate Committee on

1 Rules, and two Members of the Assembly appointed by the
2 Speaker of the Assembly, shall meet with and provide advice to the
3 committee to the extent that the advisory participation is not
4 incompatible with their respective positions as Members of the
5 Legislature. For the purposes of this chapter, the Members of the
6 Legislature shall constitute an interim investigating committee on
7 the subject of this chapter and, as that committee, shall have the
8 powers granted to, and duties imposed upon, those committees by
9 the Joint Rules of the Senate and the Assembly. The Director of
10 Finance shall provide assistance to the committee as it may
11 require. The Attorney General of the state is the legal adviser of
12 the committee.

13 100630. (a) The bonds authorized by this chapter shall be
14 prepared, executed, issued, sold, paid, and redeemed as provided
15 in the State General Obligation Bond Law (Chapter 4
16 (commencing with Section 16720) of Part 3 of Division 4 of Title
17 2 of the Government Code), and all of the provisions of that law,
18 except Section 16727 of the Government Code, apply to the bonds
19 and to this chapter and are hereby incorporated into this chapter as
20 though set forth in full within this chapter.

21 (b) For purposes of the State General Obligation Bond Law, the
22 State Allocation Board is designated the “board” for purposes of
23 administering the 1998 State School Facilities Fund.

24 100632. Upon request of the State Allocation Board from
25 time to time, supported by a statement of the apportionments made
26 and to be made for the purposes described in Sections 100615 and
27 100620, the State School Building Finance Committee shall
28 determine whether or not it is necessary or desirable to issue bonds
29 authorized pursuant to this chapter in order to fund the
30 apportionments and, if so, the amount of bonds to be issued and
31 sold. Successive issues of bonds may be authorized and sold to
32 fund those apportionments progressively, and it is not necessary
33 that all of the bonds authorized to be issued be sold at any one time.

34 100634. There shall be collected each year and in the same
35 manner and at the same time as other state revenue is collected, in
36 addition to the ordinary revenues of the state, a sum in an amount
37 required to pay the principal of, and interest on, the bonds each
38 year. It is the duty of all officers charged by law with any duty in
39 regard to the collection of the revenue to do and perform each and
40 every act that is necessary to collect that additional sum.

1 100635. Notwithstanding Section 13340 of the Government
2 Code, there is hereby appropriated from the General Fund in the
3 State Treasury, for the purposes of this chapter, an amount that will
4 equal the total of the following:

5 (a) The sum annually necessary to pay the principal of, and
6 interest on, bonds issued and sold pursuant to this chapter, as the
7 principal and interest become due and payable.

8 (b) The sum necessary to carry out Section 100640,
9 appropriated without regard to fiscal years.

10 100636. The State Allocation Board may request the Pooled
11 Money Investment Board to make a loan from the Pooled Money
12 Investment Account or any other approved form of interim
13 financing, in accordance with Section 16312 of the Government
14 Code, for the purpose of carrying out this chapter. The amount of
15 the request shall not exceed the amount of the unsold bonds that
16 the committee, by resolution, has authorized to be sold for the
17 purpose of carrying out this chapter. The board shall execute any
18 documents required by the Pooled Money Investment Board to
19 obtain and repay the loan. Any amounts loaned shall be deposited
20 in the fund to be allocated by the board in accordance with this
21 chapter.

22 100638. Notwithstanding any other provision of this chapter,
23 or of the State General Obligation Bond Law, if the Treasurer sells
24 bonds pursuant to this chapter that include a bond counsel opinion
25 to the effect that the interest on the bonds is excluded from gross
26 income for federal tax purposes, subject to designated conditions,
27 the Treasurer may maintain separate accounts for the investment
28 of bond proceeds and for the investment earnings on those
29 proceeds. The Treasurer may use or direct the use of those
30 proceeds or earnings to pay any rebate, penalty, or other payment
31 required under federal law or take any other action with respect to
32 the investment and use of those bond proceeds required or
33 desirable under federal law to maintain the tax-exempt status of
34 those bonds and to obtain any other advantage under federal law
35 on behalf of the funds of this state.

36 100640. For the purposes of carrying out this chapter, the
37 Director of Finance may authorize the withdrawal from the
38 General Fund of an amount not to exceed the amount of the unsold
39 bonds that have been authorized by the State School Building
40 Finance Committee to be sold for the purpose of carrying out this



chapter. Any amounts withdrawn shall be deposited in the 1998 State School Facilities Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

100642. All money deposited in the 1998 State School Facilities Fund, that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

100644. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

100646. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

CHAPTER 3. HIGHER EDUCATION FACILITIES

Article 1. General

100650. (a) The system of public higher education in this state includes the University of California, the Hastings College of the Law, the California State University, the California Community Colleges, and their respective off-campus centers.

(b) The 2002 Higher Education Capital Outlay Bond Fund is hereby established in the State Treasury for deposit of funds from the proceeds of bonds issued and sold for the purposes of this chapter.

(c) The Higher Education Facilities Finance Committee established pursuant to Section 67353 is hereby authorized to

1 create a debt or debts, liability or liabilities, of the State of
2 California pursuant to this chapter for the purpose of providing
3 funds to aid the University of California, the Hastings College of
4 the Law, the California State University, and the California
5 Community Colleges.

6
7 Article 2. Program Provisions Applicable to the University of
8 California and the Hastings College of the Law
9

10 100652. (a) From the proceeds of bonds issued and sold
11 pursuant to Article 5 (commencing with Section 100700), the sum
12 of ____ dollars (\$____) shall be deposited in the 2002 Higher
13 Education Capital Outlay Bond Fund for the purposes of this
14 article. When appropriated, these funds shall be available for
15 expenditure for the purposes of this article.

16 (b) The purposes of this article include assisting in meeting the
17 capital outlay financing needs of the University of California and
18 the Hastings College of the Law.

19 (c) Proceeds from the sale of bonds issued and sold for the
20 purposes of this article may be used to fund construction on
21 existing or new campuses and off-campus centers, including the
22 construction of buildings and the acquisition of related fixtures,
23 the renovation and reconstruction of facilities, site acquisition, the
24 equipping of new, renovated, or reconstructed facilities, which
25 equipment shall have an average useful life of 10 years; and to
26 provide funds for the payment of preconstruction costs, including,
27 but not limited to, preliminary plans and working drawings for
28 facilities of the University of California and the Hastings College
29 of the Law.
30

31 Article 3. Program Provisions Applicable to the California
32 State University
33

34 100653. (a) From the proceeds of bonds issued and sold
35 pursuant to Article 5 (commencing with Section 100700), the sum
36 of ____ dollars (\$____) shall be deposited in the 2002 Higher
37 Education Capital Outlay Bond Fund for the purposes of this
38 article. When appropriated, these funds shall be available for
39 expenditure for the purposes of this article.



1 (b) The purposes of this article include assisting in meeting the
2 capital outlay financing needs of the California State University.

3 (c) Proceeds from the sale of bonds issued and sold for the
4 purposes of this article may be used to fund construction on
5 existing or new campuses and off-campus centers, including the
6 construction of buildings and the acquisition of related fixtures,
7 the renovation and reconstruction of facilities, site acquisition, the
8 equipping of new, renovated, or reconstructed facilities, which
9 equipment shall have an average useful life of 10 years; and to
10 provide funds for the payment of preconstruction costs, including,
11 but not limited to, preliminary plans and working drawings for
12 facilities of the California State University.

13
14 Article 4. Program Provisions Applicable to the California
15 Community Colleges
16

17 100654. (a) From the proceeds of bonds issued and sold
18 pursuant to Article 5 (commencing with Section 100700), the sum
19 of _____ dollars (\$_____) shall be deposited in the 2002 Higher
20 Education Capital Outlay Bond Fund for the purposes of this
21 article. When appropriated, these funds shall be available for
22 expenditure for the purposes of this article.

23 (b) The purposes of this article include assisting in meeting the
24 capital outlay financing needs of the California Community
25 Colleges.

26 (c) Proceeds from the sale of bonds issued and sold for the
27 purposes of this article may be used to fund construction on
28 existing or new campuses and off-campus centers, including the
29 construction of buildings and the acquisition of related fixtures,
30 the renovation and reconstruction of facilities, site acquisition, the
31 equipping of new, renovated, or reconstructed facilities, which
32 equipment shall have an average useful life of 10 years; and to
33 provide funds for the payment of preconstruction costs, including,
34 but not limited to, preliminary plans and working drawings for
35 facilities of the California Community Colleges.

36
37 Article 5. Higher Education Fiscal Provisions
38

39 100700. (a) Of the total amount of bonds authorized to be
40 issued and sold pursuant to Chapter 1 (commencing with Section

1 100600), bonds in the total amount of _____ dollars (\$____), not
2 including the amount of any refunding bonds issued in accordance
3 with Section 100755, or so much thereof as is necessary, may be
4 issued and sold to provide a fund to be used for carrying out the
5 purposes expressed in this chapter and to reimburse the General
6 Obligation Bond Expense Revolving Fund pursuant to Section
7 16724.5 of the Government Code. The bonds, when sold, shall be
8 and constitute a valid and binding obligation of the State of
9 California, and the full faith and credit of the State of California
10 is hereby pledged for the punctual payment of the principal of, and
11 interest on, the bonds as the principal and interest become due and
12 payable.

13 (b) Pursuant to this section, the Treasurer shall sell the bonds
14 authorized by the Higher Education Facilities Finance Committee
15 established pursuant to Section 67353 at any different times
16 necessary to service expenditures required by the apportionments.

17 100710. (a) The bonds authorized by this chapter shall be
18 prepared, executed, issued, sold, paid, and redeemed as provided
19 in the State General Obligation Bond Law (Chapter 4
20 (commencing with Section 16720) of Part 3 of Division 4 of Title
21 2 of the Government Code), and all of the provisions of that law,
22 except Section 16727 of the Government Code, apply to the bonds
23 and to this chapter and are hereby incorporated into this chapter as
24 though set forth in full within this chapter.

25 (b) For the purposes of the State General Obligation Bond Law,
26 each state agency administering an appropriation of the 2002
27 Higher Education Capital Outlay Bond Fund is designated as the
28 “board” for projects funded pursuant to this chapter.

29 (c) The proceeds of the bonds issued and sold pursuant to this
30 chapter shall be available for the purpose of funding aid to the
31 University of California, the Hastings College of the Law, the
32 California State University, and the California Community
33 Colleges, for the construction on existing or new campuses, and
34 their respective off-campus centers, as set forth in this chapter.

35 100720. The Higher Education Facilities Finance Committee
36 established pursuant to Section 67353 shall authorize the issuance
37 of bonds under this chapter only to the extent necessary to fund the
38 apportionments for the purposes described in this chapter that are
39 expressly authorized by the Legislature in the annual Budget Act.
40 Pursuant to that legislative direction, the committee shall

1 determine whether or not it is necessary or desirable to issue bonds
2 authorized pursuant to this chapter in order to carry out the
3 purposes described in this chapter and, if so, the amount of bonds
4 to be issued and sold. Successive issues of bonds may be
5 authorized and sold to carry out those actions progressively, and
6 it is not necessary that all of the bonds authorized to be issued be
7 sold at any one time.

8 100725. There shall be collected each year and in the same
9 manner and at the same time as other state revenue is collected, in
10 addition to the ordinary revenues of the state, a sum in an amount
11 required to pay the principal of, and interest on, the bonds each
12 year. It is the duty of all officers charged by law with any duty in
13 regard to the collection of the revenue to do and perform each and
14 every act which is necessary to collect that additional sum.

15 100730. Notwithstanding Section 13340 of the Government
16 Code, there is hereby appropriated from the General Fund in the
17 State Treasury, for the purposes of this chapter, an amount that will
18 equal the total of the following:

19 (a) The sum annually necessary to pay the principal of, and
20 interest on, bonds issued and sold pursuant to this chapter, as the
21 principal and interest become due and payable.

22 (b) The sum necessary to carry out Section 100745,
23 appropriated without regard to fiscal years.

24 100735. The board, as defined in subdivision (b) of Section
25 100710, may request the Pooled Money Investment Board to make
26 a loan from the Pooled Money Investment Account or any other
27 approved form of interim financing, in accordance with Section
28 16312 of the Government Code, for the purpose of carrying out
29 this chapter. The amount of the request shall not exceed the amount
30 of the unsold bonds that the committee, by resolution, has
31 authorized to be sold for the purpose of carrying out this chapter.
32 The board, as defined in subdivision (b) of Section 100710, shall
33 execute any documents required by the Pooled Money Investment
34 Board to obtain and repay the loan. Any amounts loaned shall be
35 deposited in the fund to be allocated by the board in accordance
36 with this chapter.

37 100740. Notwithstanding any other provision of this chapter,
38 or of the State General Obligation Bond Law, if the Treasurer sells
39 bonds pursuant to this chapter that include a bond counsel opinion
40 to the effect that the interest on the bonds is excluded from gross

1 income for federal tax purposes, subject to designated conditions,
2 the Treasurer may maintain separate accounts for the investment
3 of bond proceeds and for the investment earnings on those
4 proceeds. The Treasurer may use or direct the use of those
5 proceeds or earnings to pay any rebate, penalty, or other payment
6 required under federal law or take any other action with respect to
7 the investment and use of those bond proceeds required or
8 desirable under federal law to maintain the tax-exempt status of
9 those bonds and to obtain any other advantage under federal law
10 on behalf of the funds of this state.

11 100745. (a) For the purposes of carrying out this chapter, the
12 Director of Finance may authorize the withdrawal from the
13 General Fund of an amount not to exceed the amount of the unsold
14 bonds that have been authorized by the Higher Education Facilities
15 Finance Committee to be sold for the purpose of carrying out this
16 chapter. Any amounts withdrawn shall be deposited in the 2002
17 Higher Education Capital Outlay Bond Fund consistent with this
18 chapter. Any money made available under this section shall be
19 returned to the General Fund, plus an amount equal to the interest
20 that the money would have earned in the Pooled Money
21 Investment Account, from proceeds received from the sale of
22 bonds for the purpose of carrying out this chapter.

23 (b) Any request forwarded to the Legislature and the
24 Department of Finance for funds from this bond issue for
25 expenditure for the purposes described in this chapter by the
26 University of California, the Hastings College of the Law, the
27 California State University, or the California Community Colleges
28 shall be accompanied by the five-year capital outlay plan.
29 Requests forwarded by a university or college shall include a
30 schedule that prioritizes the seismic retrofitting needed to
31 significantly reduce, by the ____ fiscal year, in the judgment of the
32 particular university or college, seismic hazards in buildings
33 identified as high priority by the university or college. Requests
34 forwarded by the California Community Colleges shall be
35 accompanied by a five-year capital outlay plan reflecting the needs
36 and priorities of the community college system, prioritized on a
37 statewide basis.

38 100750. All money deposited in the 2002 Higher Education
39 Capital Outlay Bond Fund that is derived from premium and
40 accrued interest on bonds sold shall be reserved in the fund and



1 shall be available for transfer to the General Fund as a credit to
2 expenditures for bond interest.

3 100755. The bonds may be refunded in accordance with
4 Article 6 (commencing with Section 16780) of Chapter 4 of Part
5 3 of Division 4 of Title 2 of the Government Code, which is a part
6 of the State General Obligation Bond Law. Approval by the voters
7 of the state for the issuance of the bonds described in this chapter
8 includes the approval of the issuance of any bonds issued to refund
9 any bonds originally issued under this chapter or any previously
10 issued refunding bonds.

11 100760. The Legislature hereby finds and declares that,
12 inasmuch as the proceeds from the sale of bonds authorized by this
13 chapter are not “proceeds of taxes” as that term is used in Article
14 XIII B of the California Constitution, the disbursement of these
15 proceeds is not subject to the limitations imposed by that article.

16 SEC. 2. The Legislature declares that it is the policy of the
17 state to exercise prudence in undertaking the sale of bonds
18 otherwise authorized for sale by the act adding this section. In this
19 regard, the Legislature encourages undertaking the sale of bonds
20 in a manner not to exceed debt service to General Fund revenue
21 ratio of 6 percent unless the sale is in the best fiscal interest of the
22 state.

23 SEC. 3. Section 1 of this act shall become effective upon the
24 approval by the voters, at the March 5, 2002, direct primary
25 election, of the Kindergarten-University Public Education
26 Facilities Bond Act of 2002, as set forth in Section 1 of this act.

27 SEC. 4. (a) Notwithstanding any other provision of law, with
28 respect to the Kindergarten-University Public Education Facilities
29 Bond Act of 2002, all ballots of the March 5, 2002, direct primary
30 election shall have printed thereon and in a square thereof,
31 exclusively the words: “Kindergarten-University Public
32 Education Facilities Bond Act of 2002” and in the same square
33 under those words, the following in 8-point type: “This ____
34 dollar (\$____) bond issue will provide funding for necessary
35 education facilities for at least ____ years to relieve overcrowding,
36 to repair older schools, to provide joint-use facilities, and to
37 provide for wiring and cabling of schools for education
38 technology. Funds will also be used to upgrade and build new
39 classrooms in the California Community Colleges, the California
40 State University, the University of California, and the Hastings

1 College of the Law, to provide adequate higher education facilities
2 to accommodate the growing student enrollment. These bonds
3 may be used only for eligible construction projects.” Opposite the
4 square, there shall be left spaces in which the voters may place a
5 cross in the manner required by law to indicate whether they vote
6 for or against the act.

7 (b) Notwithstanding Sections 13247 and 13281 of the
8 Elections Code, the language in subdivision (a) shall be the only
9 language included in the ballot label for the condensed statement
10 of the ballot title, and the Attorney General shall not supplement,
11 subtract from, or revise that language, except that the Attorney
12 General may include the financial impact summary prepared
13 pursuant to Section 9087 of the Elections Code and Section 88003
14 of the Government Code. The ballot label is the condensed
15 statement of the ballot title and the financial impact summary.

16 (c) Where the voting in the election is done by means of voting
17 machines used pursuant to law in a manner that carries out the
18 intent of this section, the use of the voting machines and the
19 expression of the voters’ choice by means thereof are in
20 compliance with this section.

21 SEC. 5. This act is an urgency statute necessary for the
22 immediate preservation of the public peace, health, or safety
23 within the meaning of Article IV of the Constitution and shall go
24 into immediate effect. The facts constituting the necessity are:

25 In order to provide adequate school facilities to house the
26 growing pupil population attending the California schools, to
27 renovate existing facilities, to provide for the wiring and cabling
28 of schools for education technology, to provide for joint-use
29 facilities, and to provide adequate higher education facilities to
30 accommodate the growing number of students, it is necessary that
31 this act take effect immediately.

